

REFERENCE TITLE: **hazardous substances; insurance.**

State of Arizona
Senate
Forty-ninth Legislature
First Regular Session
2009

SB 1227

Introduced by
Senator Burton Cahill: Representatives Ableser, Lopes

AN ACT

AMENDING TITLE 26, CHAPTER 2, ARTICLE 3, ARIZONA REVISED STATUTES, BY ADDING SECTION 26-347.01; RELATING TO HAZARDOUS SUBSTANCES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:
2 Section 1. Title 26, chapter 2, article 3, Arizona Revised Statutes,
3 is amended by adding section 26-347.01, to read:

4 26-347.01. Facilities with a potential to emit hazardous or
5 extremely hazardous substances: insurance
6 required: definition

7 A. A PERSON WHO IS REQUIRED TO FILE A RISK MANAGEMENT PLAN PURSUANT TO
8 SECTION 112(r) OF THE CLEAN AIR ACT SHALL PURCHASE A GENERAL LIABILITY
9 INSURANCE POLICY THAT PROTECTS AGAINST THE RISK OF EMITTING A HAZARDOUS OR
10 EXTREMELY HAZARDOUS SUBSTANCE.

11 B. THE POLICY OF INSURANCE SHALL INCLUDE COVERAGE TO PROVIDE FOR:

12 1. CIVIL DAMAGES RESULTING FROM A CATASTROPHIC RELEASE OF A HAZARDOUS
13 OR EXTREMELY HAZARDOUS SUBSTANCE.

14 2. PROPERTY DAMAGE TO ADJACENT BUILDINGS AND BUSINESSES RESULTING FROM
15 A CATASTROPHIC RELEASE OF A HAZARDOUS OR EXTREMELY HAZARDOUS SUBSTANCE.

16 C. THE DIRECTOR SHALL PRESCRIBE THE AMOUNT OF COVERAGE REQUIRED
17 PURSUANT TO THIS SECTION BASED ON RISK FACTORS, INCLUDING:

18 1. THE TYPE OF HAZARDOUS OR EXTREMELY HAZARDOUS SUBSTANCE THAT MAY BE
19 RELEASED AS A RESULT OF A CATASTROPHIC EVENT.

20 2. THE AMOUNT OF HAZARDOUS OR EXTREMELY HAZARDOUS SUBSTANCE THAT MAY
21 BE RELEASED AS A RESULT OF A CATASTROPHIC EVENT.

22 3. THE LOCATION OF THE FACILITY THAT HAS A RISK OF EMITTING A
23 HAZARDOUS OR EXTREMELY HAZARDOUS SUBSTANCE IN RELATION TO VULNERABLE AREAS
24 SUCH AS A DAY CARE CENTER, SCHOOL, HOSPITAL OR ELDER CARE CENTER.

25 D. THE DIRECTOR OR ANY APPROPRIATE COUNTY OR MUNICIPAL OFFICIAL MAY
26 REQUEST PROOF OF INSURANCE FROM A PERSON WHO IS SUBJECT TO THIS SECTION AT
27 ANY TIME DURING REGULAR BUSINESS HOURS. IF THE PERSON FAILS OR REFUSES TO
28 PROVIDE THE PROOF OF INSURANCE ON REQUEST, THE COUNTY OR MUNICIPAL OFFICIAL
29 SHALL IMMEDIATELY BEGIN PROCEEDINGS TO REVOKE THE OCCUPANCY PERMIT OR THE
30 APPLICABLE ZONING DESIGNATION OF THE FACILITY.

31 E. FOR THE PURPOSES OF THIS SECTION, "CLEAN AIR ACT" HAS THE SAME
32 MEANING PRESCRIBED IN SECTION 49-401.01.

33 Sec. 2. Proof of insurance required

34 A person who is subject to section 26-347.01, Arizona Revised Statutes,
35 as added by this act, must provide the required proof of insurance as
36 prescribed by that section to the director of the division of emergency
37 management or other appropriate county or municipal official no later than
38 March 1, 2010.